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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF  
DARRELL WALLACE DBA BIDEgain WATER  
COMPANY FOR APPROVAL OF A PERMANENT  
RATE INCREASE.

DOCKET NO. W-02026A-11-0470

IN THE MATTER OF THE APPLICATION OF  
DARRELL WALLACE DBA BIDEgain WATER  
COMPANY FOR A CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO PROVIDE  
WATER SERVICE IN THE STATE OF ARIZONA.

DOCKET NO. W-02026A-12-0378

PROCEDURAL ORDER

**BY THE COMMISSION:**

On December 27, 2011, in Docket No. W-02026A-11-0470, Bidegain Water Company ("BWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a permanent increase in its water rates and charges ("Rate Case Docket").

On January 26, 2012, the Commission's Utilities Division ("Staff") issued, in the Rate Case Docket, a Notice of Insufficiency pursuant to Arizona Administrative Code ("A.A.C.") R14-2-103.

On March 9, 2012, Staff issued a Letter of Sufficiency in the Rate Case Docket, stating that BWC's rate application had met the sufficiency requirements of the A.A.C.

On May 9, 2012, Staff filed a Staff Report in the Rate Case Docket, recommending approval of Staff's proposed rates and charges, but recommending that the new rates not take effect until after the Company had received a Certificate of Convenience and Necessity ("CC&N").

On May 25, 2012, by Procedural Order, the Company was ordered to file an application for approval of a CC&N, and the timeclock in the rate case proceeding was suspended.<sup>1</sup>

<sup>1</sup> The Procedural Order stated that Bidegain's CC&N had been revoked in Decision No. 65649 (February 18, 2003) due to the Company's failure to file its 2001 Annual Report, that the Company's original owners were now deceased, and that the water system had been sold to Mr. Darrell Wallace in 2003.

1 On August 29, 2012, in Docket No. W-02026A-12-0378, BWC filed with the Commission an  
2 application for a CC&N to provide water utility services in Pinal County ("CC&N Docket").

3 On September 27, 2012, Staff issued a Letter of Insufficiency in the CC&N Docket, stating  
4 that BWC's CC&N application had not met the sufficiency requirements pursuant to the A.A.C.

5 On March 13, 2013, Staff issued a Letter of Sufficiency with respect to the Company's CC&N  
6 application in the CC&N Docket.

7 On March 21, 2013, a Procedural Order was issued in the CC&N Docket, setting a hearing on  
8 BWC's CC&N application for May 16, 2013.

9 On April 15, 2013, Staff filed a Staff Report in the CC&N Docket, recommending approval of  
10 the CC&N application with conditions.

11 On May 13, 2013, BWC filed, in the CC&N Docket, an affidavit of publication and mailing of  
12 notice of the application and hearing date.

13 On May 16, 2013, a full public hearing on BWC's CC&N application was commenced as  
14 scheduled before a duly authorized Administrative Law Judge of the Commission. Staff appeared  
15 through counsel, and BWC failed to appear for the hearing. The hearing was continued.

16 On June 12, 2013, by Procedural Order, the hearing on BWC's CC&N application was reset to  
17 commence on July 30, 2013; the owner of BWC, Mr. Darrell Wallace, was ordered to appear for the  
18 hearing; and the Company was ordered to be prepared to give testimony and to provide evidence at the  
19 hearing demonstrating why it is a fit and proper entity to receive a CC&N to provide water utility  
20 services in Arizona. Further, BWC was directed to notify the Commission, prior to the hearing, of the  
21 names of any witnesses the Company planned to call at the hearing; and was ordered to file any  
22 objections to the CC&N Docket Staff Report. Also, the timeclock was suspended for the CC&N  
23 Docket.

24 On June 17, 2013, in the CC&N Docket, BWC's Owner, Mr. Darrell Wallace filed an affidavit  
25 stating that as of June 1, 2013, he had appointed Karen A. Samuel as treasurer of the Company and  
26 requesting that Ms. Samuel be allowed to represent BWC at the CC&N hearing. Further, Mr. Wallace  
27 requested that Ms. Samuel be allowed to testify regarding the CC&N application.

1 On June 21, 2013, a Procedural Order was issued in the CC&N Docket scheduling a telephonic  
2 pre-hearing conference was scheduled to discuss the procedural posture for the hearing set for July 30,  
3 2013.

4 On July 9, 2013, a procedural conference was held as scheduled for the CC&N Docket. Ms.  
5 Karen Samuel appeared telephonically on behalf of BWC. Staff appeared through counsel.  
6 Discussion was held regarding the necessity for Mr. Wallace, as the sole owner of BWC, to appear  
7 personally for the hearing.

8 On July 30, 2013, the hearing in this matter was held as scheduled. Mr. Wallace appeared on  
9 behalf of BWC and Staff appeared through counsel. Mr. Wallace presented testimony and Staff  
10 presented evidence and testimony on the CC&N application.

11 Because the Rate Case and CC&N dockets are substantially related, it is reasonable to  
12 consolidate the Rate Case Docket and the CC&N Docket for the purpose of resolving these matters.  
13 Due to the passage of time, it is appropriate to direct Staff to review its prior Staff Report filed in the  
14 Rate Case Docket and to file a Supplemental Staff Report updating any information and/or making  
15 any revisions to Staff's recommendations that Staff deems necessary. Further, it is appropriate to  
16 provide BWC with additional time to respond to Staff's Supplemental Staff Report.

17 IT IS THEREFORE ORDERED that **Docket Nos. W-02026A-11-0470 and W-02026A-12-**  
18 **0378 are hereby consolidated for the purpose of resolving of these matters.**

19 IT IS FURTHER ORDERED that **Staff shall file, no later than September 6, 2013, a**  
20 **Supplemental Staff Report updating any information in, and/or making any revisions to Staff's**  
21 **recommendations in the Rate Case Docket Staff Report.**

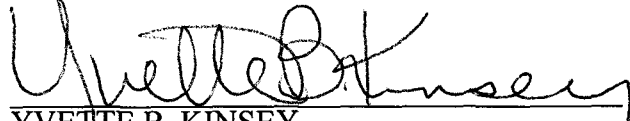
22 IT IS FURTHER ORDERED that **BWC may file, no later than October 4, 2013, any**  
23 **objections to the Supplemental Staff Report.**

24 IT IS FURTHER ORDERED that the *Ex Parte* Rule (A.A.C. R14-3-113 – Unauthorized  
25 Communications) continues to apply to these proceeding and shall remain in effect until the  
26 Commission's Decision in this matter is final and non-appealable.

27 IT IS FURTHER ORDERED that all parties must comply with Supreme Court Rules 31 and  
28 38 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

1 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,  
2 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by  
3 ruling at hearing.

4 DATED this 9th day of August, 2013

5   
6 YVETTE B. KINSEY  
7 ADMINISTRATIVE LAW JUDGE  
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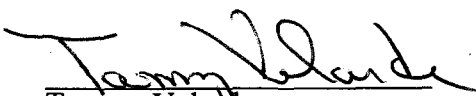
9 Copies of the foregoing mailed/delivered  
this 9th day of August, 2013 to:

10 Darrell Wallace  
11 BIDEGAIN WATER COMPANY  
12 P.O. Box 538  
Kearny, Arizona 85137

13 Darrell Wallace  
14 BIDEGAIN WATER COMPANY  
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